

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7842

BILL NUMBER: SB 613

DATE PREPARED: Jan 18, 1999

BILL AMENDED:

SUBJECT: County Assessors.

FISCAL ANALYST: Bob Sigalow

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FUNDS AFFECTED: **GENERAL
DEDICATED
FEDERAL**

IMPACT: Local

Summary of Legislation: *Property Assessment:* This bill provides that the county assessor is responsible for the assessment of real and personal property in counties other than Marion County. The bill provides that in Marion County the township assessor retains the assessment duties. It makes conforming amendments to various provisions concerning the transfer of assessment duties from township assessors to county assessors. It also provides that county assessors may hire any person, including elected township assessors, to perform assessment duties.

Safe Deposit: The bill provides that a county assessor or the Department of State Revenue is not required to examine the safe deposit box of an individual who dies after June 30, 1999. It provides that a person who has possession of or control over a safe deposit box belonging to an individual who dies after June 30, 1999, is not required to provide notice to the county assessor or the Department of State Revenue before the box is opened. This bill repeals provisions relating to the duties of the county assessor and the Department of State Revenue concerning safe deposit boxes.

Assessor Certification: This bill makes changes to the county and township assessor certification requirements.

Board of Appeals: This bill also makes changes to the county property tax assessment board of appeals.

Effective Date: July 1, 1999; January 1, 2001; January 1, 2003; March 1, 2003.

Explanation of State Expenditures:

Explanation of State Revenues: *Safe Deposit:* This bill will not change the amount of inheritance tax liability of a deceased person. It may, however, affect the ability of the Department of State Revenue to determine the contents of a safe deposit box. Any impact would be speculative, at best.

Explanation of Local Expenditures: *Property Assessment:* This bill transfers the responsibility for the assessment of real and personal property, and related duties, from the township assessor to the county assessor with the exception of Marion County. The county assessor would be allowed to employ or contract with anyone, including the elected township assessor or township assessor-trustee, to perform the assessment duties. This bill would increase the responsibilities of the county assessor.

Most township assessing expenses are paid from the county General Fund. However, townships may supplement the salaries of elected assessors and trustee-assessors under current law. Current law also entitles township assessors to a \$1,000 salary increase for being certified as a level two assessor-appraiser. This proposal would remove the \$1,000 salary increase (except in Marion County) and the ability to supplement township salaries, thereby reducing expenses for some townships.

The expenditures of a county could increase if the county assessor hires or contracts with an individual(s) to perform the assessment of real and personal property. However, consolidation of assessing duties could also eliminate overlapping expenses, if any, between the county and the township. If this is the case, then overall assessing expenses could also be reduced.

Overall county and township spending would still be limited to available funds including property tax under the maximum levy. There would not be any change in property tax limits under this bill which reduces the likelihood that there would be any increase in overall county plus township spending. The fiscal impact is, however, dependent on local action.

Board of Appeals: This bill makes several changes to the composition of the property tax assessment board of appeals (Board). Currently, the county fiscal body appoints two individuals to the board and the county commissioners appoint two freehold members to the board. At least one of the members appointed by each the fiscal body and the council must be a certified level two assessor-appraiser. The county assessor is also a voting member of the board and serves as secretary. The members of the board elect a president.

Under this proposal, each elected township assessor would serve on the board. The county fiscal body would continue to appoint two members. The county commissioners' appointees would have to be county residents under the proposal, but neither of the appointees would be required to be a certified level two assessor-appraiser if the county assessor is a certified level two assessor-appraiser. The county assessor would serve as board president. The board would also be required to meet at least once per year.

Some smaller Indiana counties may currently be having difficulty in filling vacancies on the appeals board with qualified persons under current law. The above changes may allow these counties to make all of the necessary appointments to the appeals board.

Assessor Certification: Currently, county and elected township assessors or one of their employees must be a certified level two assessor-appraiser. In addition, county and township assessors and elected trustee-assessors must attain the certification of a level one assessor-appraiser. Under this proposal, these requirements would be valid only in Marion County. Only the county assessor or an employee must be level two certified in other counties with over 20,000 population. The county assessor would also need a level one certification. In counties with less than 20,000 population, the county assessor would need a level one certification with no certification requirements for any employees. There are 66 counties, not including Marion, with a population of at least 20,000.

Explanation of Local Revenues: *Property Assessment:* The consolidation of property assessment at the

county level could produce more uniform assessments on a county-wide basis. Better uniformity among property assessments, if any, would help to produce a fairer distribution of the property tax burden.

The bill makes the township trustee solely responsible for administration and collection of dog tax. Administrative fees (\$0.50 per dog tag) collected by the trustee are deposited into the township General Fund. Currently, the township assessor, together with the trustee, also administers and collects the tax. Assessor collected administrative fees are deposited into the county General Fund. This bill would increase township revenues and reduce county revenues by the same amount.

Safe Deposit: See State Revenues. Counties retain 8% of resident inheritance tax.

State Agencies Affected: Indiana Department of Revenue.

Local Agencies Affected: County assessors; Township elected assessors and trustee-assessors; Township trustees.

Information Sources: U.S. Census Bureau; Department of State Revenue, Bill Reynolds.